

SECRET

PSG-039/69
3 March 1969

MEMORANDUM FOR: Technical Services and Support Group, NPIC

ATTENTION: Development and Engineering Division

[Redacted]

SUBJECT: Comments on Automatic Viewgraph Generator Staff Study

The automatic viewgraph generator staff study dated 20 February 1969 which recommends that alternative 4.5 be adopted has been thoroughly reviewed by this office. It is our concerted opinion that this is the only road to take; namely, terminate the [Redacted] contract. The matter of renewing the project in the future should be reserved for future consideration only if and when it is considered to be feasible to produce equipment which could be beneficial in expediting production, cutting costs of production, etc. The question however that remains is what will happen to the current equipment, parts, and drawings. It is understood that [Redacted] will arrange for the appropriate disposition thereof in concert with the Office of Logistics.

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[Redacted]

Chief, Production Services Group, NPIC

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FROM Chief, Production Services Group	DATE 3 March 1969
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Attn: DED/ *pp.*

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20 February 1969

AUTOMATIC VIEWGRAPH GENERATOR - STAFF STUDY

1. PROBLEM

During calendar year 1967, approximately 5,000 film positives were produced in the Photo Lab for incorporation into viewgraphs. Priority handling by the Photo Lab was often necessary to meet the close deadlines requested. A device was needed that could rapidly produce positive to positive transparencies of suitable size from transparent or opaque originals. It was theorized that this device would expedite the preparation of these viewgraphs, that it would reduce the man-hours of processing time in the Photo Lab, and that it could reduce the overtime hours required in the Visual Aids Unit.

2. HISTORICAL BACKGROUND

On 13 April 1967, a cost plus incentive fee contract was signed with the [] company to produce two Automatic Viewgraph Generators for a total cost of []. The period of performance was to be from 13 April 1967 to 14 August 1967. In August 1967, after [] indicated an overrun on this project, it was decided that in order to reduce overall costs, only one Automatic Viewgraph Generator would be completed--for an overrun on the contract of []. In subsequent negotiations, [] indicated another [] would be required to complete the one unit. This overrun was reluctantly approved and the total amount of the contract was amended to [] for one Viewgraph Generator and the period of performance was extended to 28 February 1969. In late November, 1968, [] informed the Government that additional funding would be required to complete the unit. In December, a stop work order was issued and all work on the project was brought to a halt.

While [] has been reluctant to discuss their internal problems, it appears from collateral information obtained that some of their difficulties on this project have stemmed from: (1) problems in developing the diffusion transfer process, (2) inconsistent properties of the diffusion transfer material as furnished by the manufacturer, (3) management problems, (4) inadequacies in cost accounting procedures, and (5) loss of continuity on the project due to transfer of key personnel.

3. PRESENT SITUATION

[] has spent [] to date. They estimate that another [] will be needed to complete the work. The total cost of the contract would thus be [] exclusive of fee and, even with this increase, there is still no assurance that there would not be an additional overrun or overruns.

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4. ALTERNATIVES

Alternatives for the development of an Automatic Viewgraph Generator are:

4.1. Continue the Contract with [] has demonstrated poor management and technical performance on this project to date; there is no valid reason to believe that the situation will improve if we continued. 25X

X1 4.2. Terminate the [] Contract and Negotiate New Contract with Another Company - Proposals from other companies could be obtained for the development of an Automatic Viewgraph Generator. The use of materials other than the diffusion transfer material would have to be considered.

X1 4.3. Terminate the [] Contract and Arrange for Another Company to Complete the Unfinished Work - The work performed by [] so far has been highly fragmentary; however, some components do exist and it may be possible that another company could complete the design and fabrication of the Viewgraph Generator. 25X

X1 4.4. Terminate [] Contract and Complete Project In-House - The use of dry silver materials would be considered if this project were to be completed in-house. However, the positive to positive dry silver transparency material is still in the development stage and design of the equipment at this time would be premature; furthermore, DED is not organized nor staffed to do developments of this size.

X1 4.5. Terminate [] Contract and Renew Project in the Future - Several dry photographic processes including the 3-M dry silver process are being developed. Assuming the requirement still exists in the future, this project should be renewed when one of these processes prove applicable to production use.

5. CONCLUSIONS AND RECOMMENDATIONS

X1 [] has failed to demonstrate technical proficiency or financial responsibility with regard to this project. They have spent considerable time and funds and have little to show for this expenditure. Any further work with [] is definitely not recommended. Alternative X1 4.2 (negotiating a new contract with another company) is not recommended at this time since no other company has demonstrated the ability to reliably produce positive to positive continuous tone transparencies. Alternative 4.3 (another company complete the [] work) is not recommended. This approach normally ends up being more expensive and less successful technically than if the new company originated the project. Furthermore, the problems associated with the diffusion transfer material would still exist. Alternative 4.4 (performing work in-house) is risky since it proposes using a material which is experimental in nature. Also, facilities for in-house development of this size at NPIC 25X

are very limited. Alternative 4.5 (renew the project in the future) suggests waiting for further developments in the field of reproduction materials. This approach is recommended since it involves the least amount of risk both technically and with regard to funds. While it is bound to produce some delay in the final acquisition of the desired equipment, this delay is preferrable to another false start on an undeveloped process.

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11/27

MEMORANDUM FOR: John -

I talked with [redacted]
 Bill intends to talk with [redacted]
 on Monday, 2 Dec. He will attempt
 to establish whether or not an
 overrun is imminent & if so, for
 how much money when he visits
 [redacted] on 5 Dec - I asked him to
 let you & Paul L. fill in - (DATE) *PLM*

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FORM NO. 101 REPLACES FORM 10-101 (47)
 1 AUG 54 WHICH MAY BE USED.